



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joaquín Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

April 26, 2007

Mr. Christopher Jeffries
C&D Management Co., dba Freedom Ventures
513 Don Lyle Rd.
Edmonton, KY 42129

**Re: C&D Management Co., dba Freedom Ventures, OGRID 231382
Agreed Compliance Order 171**

Dear Mr. Jeffries,

The Oil Conservation Division (OCD) received the second \$3,000 penalty payment from C&D Management Co. (C&D) under Agreed Compliance Order 171. Thank you for the timely payment.

The remaining \$18,000 of the penalty will be waived provided that C&D:

1. completes remediation at the Hastie #20 by May 1, 2007;
2. posts required signs at all wells no later than May 1, 2007;
3. either properly plugs, or brings into production, the Shearn Becky Federal #001, Shearn Freedom Federal #002, Shearn Samantha Federal #001, Shearn Shilo Federal #001, and the Muncy Federal #002 no later than September 20, 2007;
4. files completion reports on the Shearn Becky Federal #001 and Shearn Freedom Federal #002 by May 1, 2007; and
5. files all overdue Form C-115s (production and injection reports) on all wells no later than June 1, 2007.

Because C&D filed the missing production report for March 2006, by letter dated April 17, 2007 the OCD reinstated the authority of C&D to transport from and inject into its New Mexico wells.

If you have any questions, please do not hesitate to contact me. My direct phone line is (505) 476-3451, or you may contact me by e-mail at gail.macquesten@state.nm.us.

Sincerely,

Gail MacQuesten
Attorney, Oil Conservation Division

cc: Daniel Sanchez, Compliance and Enforcement Manager
Chris Williams, District I
Tim Gum, District II
Charlie Perrin, District III
David Bradshaw, OCD Automation and Records Bureau

C & D Management Company
dba
Freedom Ventures Company
Case 14055
OCD Exhibit No. 11